

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 26, 2004

TO: ALL PARTIES OF RECORD IN APPLICATION 01-06-003

Decision 04-08-040 is being mailed without the Concurrence of Commissioner Lynch. The Concurrence will be mailed separately.

Very truly yours,

/s/ ANGELA K. MINKIN by PSW
Angela K. Minkin, Chief
Administrative Law Judge

ANG:sid

Attachment

Decision 04-08-040 August 19, 2004

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric
Company in the 2000/2001 Revenue
Adjustment Proceeding (U 39 E).

Application 01-06-003
(Filed June 1, 2001)

**OPINION GRANTING PACIFIC GAS AND
ELECTRIC COMPANY'S PETITION TO MODIFY DECISION 02-10-019**

Summary

This decision grants Pacific Gas and Electric Company's (PG&E) petition for modification of Decision (D.) 02-10-019 to delete Ordering Paragraph (OP) 15 (Petition) relieving PG&E of the obligation to file a 2002 revenue adjustment proceeding (RAP).

Procedural Background

In D.97-10-057, the Commission established the Transition Revenue Account (TRA) and a procedure for Revenue Adjustment Proceeding (RAP) applications. As adopted in D.97-10-057, RAP applications verify and adjust entries to the TRA for the prior period, consolidate revenue requirements approved in other proceedings and set the unbundled rate components for an electric utility. The goal is to ensure that PG&E accurately calculates the amount of revenues available for transfer to the Transition Cost Balancing Account

(TCBA) to offset transition costs.¹ RAP applications for 1998 and 1999 were resolved through D.99-06-058 and D.01-01-019, respectively.²

D.02-10-019 directed PG&E to file its next RAP after Commission approval of PG&E advice letters (AL) implementing two energy related decisions.³ The final AL was adopted May 22, 2003, and pursuant to OP 15,⁴ PG&E was directed to file its 2002 RAP application within 90 days. However, on July 29, 2003, the Executive Director granted PG&E an extension to make this filing by April 1, 2004, or explain why the filing was no longer necessary. In a letter dated March 30, 2004, PG&E requested that it be relieved of the requirement to submit a 2002 RAP application⁵. On April 7, 2004, the Executive Director informed PG&E that relieving PG&E of its RAP obligation required a petition to modify D.02-10-019. The Executive Director provided PG&E a day-to-day extension for filing the 2002 RAP application pending Commission action on the anticipated

¹ D.02-10-019, *mimeo.*, p. 3.

² *Id.*

³ D.01-03-082 adopted a three-cent surcharge, and D.02-04-016 adopted revenue requirements for utility retained generation.

⁴ OP 15 states “ Within 90 days after Commission approval of PG&E advice letter 2240-E, PG&E shall file its next RAP [Revenue Adjustment Proceeding] application.” (*Mimeo.*, p. 37.)

⁵ See letter dated March 30, 2004, from Brian Cherry, PG&E Director of Regulatory Relations to William Ahern, Executive Director, and Angela Minkin, Chief Administrative Law Judge. (PG&E Petition, Attachment.)

petition.⁶ On May 14, 2004, PG&E filed its petition to modify D.02-10-019 to delete OP 15. No protests to PG&E's Petition were received.

Discussion

The purpose of the 2002 RAP would be to review entries to the TRA for the period May 1, 2001, through June 30, 2002, to determine amounts for transfer to the TCBA. However, in D.03-12-035, we resolved the TCBA balance as of December 31, 2002,⁷ and thus, the 2002 RAP entries to the TRA. As a result, we have already addressed the amounts that would otherwise have been the subject of the 2002 RAP, and accordingly, it is not necessary for PG&E to file a 2002 RAP as proposed in OP 15. Therefore, PG&E's Petition should be granted.

Comments on Draft Decision

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Public Utilities Code, the otherwise applicable 30-day period for public review and comment is being waived.

Assignment of Proceeding

Geoffrey F. Brown is the Assigned Commissioner and Bruce DeBerry is the assigned Administrative Law Judge in this proceeding.

⁶ See Letter dated April 7, 2004, from William Ahern, Executive Director, to Brian Cherry, PG&E director of Regulatory Relations. (PG&E Petition, Attachment.)

⁷ See D.03-12-035, Section C, 2(e).

Findings of Fact

1. RAP applications verify and adjust entries to the TRA for prior periods.
2. The 2002 RAP would address entries for the period May 1, 2001, through June 30, 2002.
3. TRA entries for the period May 1, 2001, through June 30, 2002, were addressed and resolved in D.03-12-035.
4. PG&E's filing of its Petition is timely.

Conclusions of Law

1. D.03-12-035 addressed and resolved the issues required by D.02-10-019, OP 15, thereby rendering OP 15 unnecessary.
2. D.02-10-019 should be modified to delete OP 15.

O R D E R

IT IS ORDERED that Pacific Gas and Electric Company's Petition to modify Decision 02-10-019 and delete Ordering Paragraph 15 should be granted.

This order is effective today.

Dated August 19, 2004, at San Francisco, California.

MICHAEL R. PEEVEY
President
CARL W. WOOD
LORETTA M. LYNCH
GEOFFREY F. BROWN
SUSAN P. KENNEDY
Commissioners

I will file a concurrence.

/s/ LORETTA M. LYNCH

A.01-06-003 ALJ/BMD/tcg

Commissioner